



April 14, 2011

Federal Trade Commission
Division of Privacy and Identity Protection
Bureau of Consumer Protection
600 Pennsylvania Avenue, NW
Washington, DC 20580

RE: FCRA Risk-Based Pricing Rule Amendments: Project No. R411009; Proposed Rule

Ladies and Gentlemen:

The Student Loan Servicing Alliance's Private Loan Committee (SLSA PLC) represents organizations involved in the making, servicing, administration and collection of private education loans. Private education loan programs are offered by state and nationally-chartered banks, federal savings banks, credit unions, student loan secondary markets, state-authorized direct lenders and state-licensed lenders. Student loan service providers are responsible for a range of services to lenders, including the processing of loan applications, communications with consumers, the provision of disclosures and billings, the processing of payments and the collection of past-due payments.

The SLSA PLC respectfully submits the following comments on the proposed rules with respect to the Dodd-Frank changes to the FCRA Risk-Based Pricing Regulations.

We wish to thank the Agencies for several helpful clarifications included in the Section-by-Section Analysis of the proposed regulations. These clarifications will ensure that creditors are better able to understand and comply with the new rules. We support the positions taken by the Agencies and ask that these clarifications be repeated and amplified in the final rules:

- Clarification that a creditor providing credit score disclosure exception notices (CSDENs) under §§ 222.74(d), (e) and (f) or §§ 640.5(d), (e) and (f) is not required to provide the credit score information disclosures contained in the proposed rules.
- Clarification that if a creditor uses a credit report, but not a credit score, in making a credit decision, then the creditor would not be required to disclose a credit score and information relating to a credit score in its risk-based pricing notice.

- Clarification that in those circumstances where a creditor uses the credit score of a guarantor or co-signer rather than the credit score of the consumer to whom it is extending credit, the creditor is not required to provide the guarantor or co-signer's credit score to the consumer (although a risk-based pricing notice may still be required).

In addition, with respect to the issue of how co-signers are treated, we would urge the agencies to align the approach taken in the adverse action regulations (Federal Reserve System Docket No. R-1408) with the approach taken in these risk-based pricing regulations. The risk-based pricing proposed regulations make it clear that instances where a lender is relying on a co-signer's score (as opposed to the borrower/primary applicant's score) then the borrower should not receive the co-signer's score, and even where there are co-borrowers living at the same address, then the co-borrowers should receive separate notices if the lender is sending credit scores. The adverse action proposed regulations, however, are strangely silent on the issue, and in light of past Regulation B guidance (specifically the Section-by-Section Analysis for Section 202.9(b)(2)), it appears that a creditor might be required to provide the co-signer's score to the primary applicant/borrower. Given the increasing emphasis on consumer privacy in recent years, we find it hard to believe that this is the desired outcome. Moreover, having two radically different rules for adverse action and risk-based pricing makes no sense. We would urge the Federal Reserve Board to align the guidance in the adverse action rule with the guidance provided by the Agencies in the risk-based pricing rule. We do not believe that a creditor should send a co-signer's score (or even a co-borrower's) to the borrower, and co-signers should never receive a borrower's score.

The SLSA PLC thanks the Agencies for the opportunity to comment on these proposed regulations. If you have any questions regarding our comments, please do not hesitate to contact me at the address listed below.

Sincerely,

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